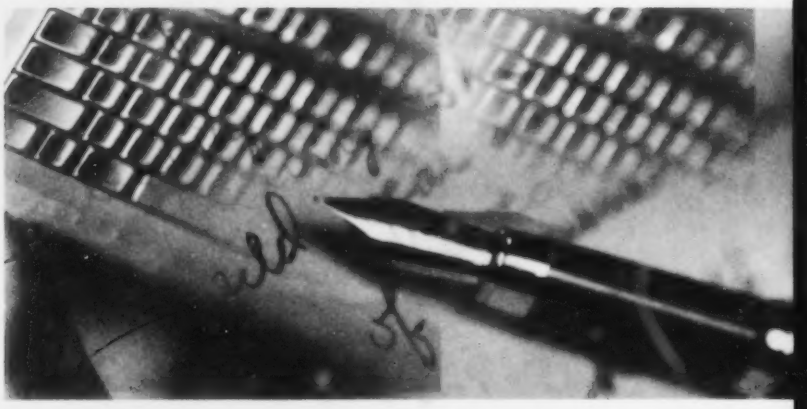
# RESEARCH REPORT

## AFFORDABLE HOUSING IN CANADA'S URBAN COMMUNITIES: A LITERATURE REVIEW



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# Affordable Housing in Canada's Urban Communities

A literature review

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# 1.0 Introduction

## 1.1 Context for this Literature Review

The Privy Council Office created an internal task force on urban communities in 2002 to compile and present a strategically useful profile of federal programs and services in Canada's urban communities, to develop a targeted research agenda for assessing the impact of federal policies and programs on urban communities and to guide the development of a strategy in support of the government's agenda. Affordable housing is an identified priority issue in the context of targeted research on social cohesion, inclusion and diversity, and sustainable environment and urban infrastructure. This literature review is intended to identify issues with respect to urban affordable housing and will complement research into other topic areas and facilitate discussion on linkages between housing and other social, economic and environmental issues of concern to Canada's urban centres.

## 1.2 Definitions

Housing affordability can be expressed in relative or absolute terms. In relative terms, some types of housing are more expensive than others and housing costs for similar housing can vary both between and within communities.

Housing affordability is commonly defined, particularly for public policy purposes, as a relationship between housing costs and income. If housing costs are perceived to be too high relative to household income, then a housing affordability problem is perceived to exist. The corollary is that a housing affordability problem is also perceived to exist if household incomes are low relative to the cost of housing. This is the income dimension of the housing affordability issue; housing may be relatively inexpensive but people may not have the income to afford it.

Housing affordability norms have a long history dating back to a 25 per cent ratio based on one week's pay each month for housing supplied by factory employees in earlier times. This had some links to the development and use of a 25% rent-geared-to-income scale for social housing that emerged in the 1980s.

Housing expenses represent the most significant household expenditure item for most households. In 2001, it represented 19% of household expenditures but for low-income households the number jumped to 31%.[1]

Social housing is not synonymous with affordable housing. Social housing usually means housing in receipt of ongoing public subsidies to reduce rents to 25-30% of household income. Housing may be affordable in relative or absolute terms with or without subsidies.

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[1] The Daily, Stats Can 2002

Since 1985, Canada has had an official definition of housing need known as *core housing need*. Core housing need entails two tests, one to determine if a housing problem exists, and a second to test if alternative accommodation is available in the community to address the problem (to address the issue of those who are "in need by choice"). A housing problem is deemed to exist if a household pays more than 30% of pre-tax income for shelter (a housing affordability problem) and/or if a household lives in crowded conditions (a housing suitability problem determined by National Occupancy Standards) and/or if a household lives in a home in need of major repairs (a housing adequacy problem).

The second core need test is based on the availability of rental housing at or below 30% of the income of the household with a housing problem in their community or area of residence. If no such housing is available based on rental surveys, then the household is deemed to be in core housing need.

In 1996, there were 1.795 million households in core housing need in Canada. Updated figures will be available in 2003 when additional results from the 2001 Census are released.

The vast majority of households in core housing need experience housing affordability problems, either exclusively or in combination with other housing problems. In 1996, an estimated 656,000 households in core housing need spent 50% or more of their income for shelter. Nearly 70% of households in core housing need are renters. Approximately 60% of core need households rely on government as a main source of income. Inadequate social assistance levels have been identified a major contributor to housing affordability problems. Between 1991 and 1996, real housing costs fell nationally, but housing affordability problems worsened because incomes fell even further. However, it is important to emphasize that housing affordability is more than just an income problem. And this literature review will demonstrate that affordable housing solutions have multi-dimensional aims and impacts in the urban context.

Although the 2001 census is complete, the core housing need analysis is not yet available. However, an early analysis prepared for the Canadian Housing & Renewal Association, CHRA, indicates that the number of households in core housing need dropped from 1.7 million households in 1996 to 1.5 million households in 2000.[2] In 2000, 40% of all households headed by single women over 75 were in need. In fact, 700,000 singles and 250,000 lone parent households were in core housing need making up 68% of all households in need.

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[2] Spector 2002 p 26-27

## 2.0 The Evolution of Canadian Affordable Housing Policy

*The following summary of the major transitions in Canadian housing policy regarding affordable housing in Canada is largely borrowed from a lecture series presented by George Anderson, President of CMHC from 1986-1990.*

### *Early Days*

Federal involvement in housing was generally quite limited prior to the Second World War. Federal willingness to tackle housing problems on a significant scale and sustained basis was limited .

Canada's first federally funded housing project was completed in 1920. The Hydrostone project in Halifax, now protected by heritage designation, was built as a response to homes lost in the Halifax explosion. Its chief planner, Thomas Adams of England promoted the idea of federal responsibility for the provision of housing under the War Measures Act. As Canadians began to move to urban centres following the First World War, this idea of government support for housing gradually began to take hold on a larger scale. By the end of the war, the federal government had put in place loans to assist with the construction of much needed new housing. The creation of jobs for veterans was a main rationale behind government involvement in housing.

During the depression of the thirties, municipalities faced intense pressure to provide social assistance to those most in need. Escalating welfare costs were placing crippling loads on their treasuries. Canada experienced severe shortages for housing those most in need. In a trend that would be repeated in later years, municipalities banded together to urge the federal government to provide housing assistance. The Dominion Housing Act of 1935 increased the federal government's involvement but it was a short-term measure largely designed to create employment. The Act had a provision to work with local landing authorities to make loans for new house construction. Provisions of the Act included longer amortization periods which gave lower income households the ability to access a mortgage with repayments they could afford. Fallis (1995) notes that some authors contend that the federal government entered the housing field accidentally to assist economic recovery in the "dirty thirties".

### *The National Housing Act of 1938*

The first National Housing Act, NHA, was put in place in 1938. The number of loan applications began to dramatically increase due to improved lending conditions which made it possible for lower income households to access a loan. These

changes marked a shift in policy. The NHA committed the federal government to a role in housing policy that went beyond wartime measures and job creation; housing itself was the key outcome.

As the Second World War drew to a close and Keynesian economic policies began to take hold, the federal government was again pushed by municipalities to take a far more activist role in the provision of housing and in improving urban slums. A 1944 report of the Advisory Committee on Reconstruction, chaired by Cyril James positioned housing in the larger social context of post war reconstruction. In making the connections that still have relevance today, the James Report stated that "Social security is not something sufficient in itself, but part of a broad program for the improvement of human resources of the nation in which such things as housing, nutritional policy and education have important places."[3]

***The Response to Wartime and Post-War Pressures***

The Wartime Housing Limited formed in 1941 was responsible for the construction of 26,000 units of new rental housing over six years. While much of the housing was planned to be temporary, it still stands today having housing several generations of Canadians. Cities were the focus of housing development.

By 1944 the NHA was revised to include support to universities to educate a new generation of community planners. It also created Central Mortgage and Housing Corporation, the forerunner of Canada Mortgage and Housing Corporation. The year 1946 marked the beginning of the research division at CMHC which had an initial mandate as a community planning research program.

By the end of the 40's, it was becoming apparent that support for mortgages was not enough. A 1949 amendment to the NHA provided for the sharing of housing deficits between the federal and provincial governments on a 75:25 basis. Although this marked the beginning of providing ongoing subsidies to low-income households, there was still a great deal of unease with the subsidy approach.

In 1954, NHA mortgage loan insurance replaced a public-private joint loan arrangement with a new insured loan system, based strictly on private sector funds. This enabled the federal government to withdraw the use of public funds for mortgages, except as a lender of last resort. Mortgage insurance was motivated by a desire to support housing affordability while addressing housing shortages which persisted after World War II.

***The Emergence of an Urban Agenda***

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[3] Anderson 1987 Number 1 pages 17-18

The federal government through CMHC became increasingly active in urban issues during the late 1940s and into the 1950s. Former CMHC President Stewart Bates envisioned "...the city as the major crucible of social and economic change and ... a major instrument to build the city."[4]

There was an initial focus on slum clearance. The first slum clearance grant was awarded to the City of Toronto in 1948 for the creation of Regent Park, a 1,056 low rent housing project. Other projects followed in larger Canadian cities. The first federal-provincial public housing project was developed in St. John's Newfoundland in 1950.

The 1956 amendments to the NHA opened the door to more activity at the urban level, particularly the urban core. Studies of municipal housing issues were funded by CMHC and active vertical partnerships and relationships were supported among governments. During this period, CMHC was actively involved in the development of new communities, the provision of loans to municipalities for infrastructure and to universities for student housing.

In 1964, major changes to the NHA were enacted. Urban renewal was to become a focus of government funding. A new Public Housing program was added to the act and loans of up to 90% of were made available to non-profit community groups and provincial housing authorities for low-cost housing. Low interest loans were made available to private and non-profit developers of affordable rental housing under the Limited Dividend program.

The Canadian Housing and Renewal Association was formed in 1968 as a way to bring together urban neighbourhood renewal officials and community housing activists concerned with regenerating Canada's urban communities.

***The Hellyer Task Force***

In 1968, the Federal Task Force on Housing and Urban Development was announced, chaired by Liberal Transport Minister. The report that followed the consultations of the Task Force was critical of governments' failure to respond to the needs of urban dwellers, especially the poor. Hellyer criticized municipalities for not creating more varied and interesting communities and called large public housing projects "ghettos of the poor".

***Ministry of State for Urban Affairs***

Hellyer quit Cabinet as a result of inaction on the report, but eventually Prime Minister Trudeau named a minister with exclusive responsibility for CMHC. This was the first time that a ministerial portfolio was solely focused on CMHC and this

[4] Anderson 1988 Number 2 page 11

led to the creation of the Ministry of State for Urban Affairs, MSUA, on July 1, 1971. MSUA gave the federal government a strong presence in housing and urban issues. It was the MSUA that brought UN's first Habitat conference to Vancouver in 1976.

While MSUA ushered in a mandate for the federal government to involve itself in housing and urban issues, it was not unanimously supported. The provinces felt that the federal government was entering into an area where they had jurisdiction. There was ambiguity regarding the respective roles of MSUA and CMHC. Communications between the agencies were at times tense. The Ministry was eliminated in 1978.

During the 1970s the federal government was also involved in a number of major urban redevelopment projects, such as Granville Island in Vancouver, Market Square in Saint John and the Old Ports of Québec and Montréal. In addition, the federal government owned and developed vast tracts of land for residential use and as new communities (e.g. Don Mills, False Creek).

***The Emergence of the Community Sector in Housing***

In the 70's, the community and municipal sectors emerged as the main players in developing and managing non-profit, community-based housing with funding support from CMHC. During this era, a new model of housing emerged which was targeted to a mix of low and moderate income households in housing owned and controlled by community-based, non-profit organizations and co-operative housing groups. Projects were generally smaller in size than the public housing which had come earlier and were better integrated into existing neighbourhoods. Residents were often involved in the design and planning of new developments and project administration.

By 1973, CMHC's focus had decidedly shifted to mixed income social housing owned by non-profit organizations and co-operatives. New housing programs were put in place which provided up-front and/or long-term subsidies to create housing affordable to low and moderate income households. Others programs played a role in addressing neighbourhood improvement. The Residential Rehabilitation Assistance Program (RRAP) was launched along with the Neighbourhood Improvement Program (NIP) to improve housing and infrastructure conditions in distressed areas of cities and towns. The Assisted Home Ownership Program (AHOP) was introduced to enable lower income families to become homeowners.

During this era there was also public policy support for private involvement in the provision of affordable rental housing through the tax system (e.g. Multiple Unit Residential Building or MURB provisions) and loans and contributions (e.g. CMHC's Assisted Rental Program or ARP). The Multiple Unit Residential Building provision

of the Income Tax Act was introduced in 1974. It permitted investors in certified rental building to use capital Cost Allowance reduction to incur "losses" which could be deducted from other sources of income with the result of a reduction in taxes payable. This provision was extended to individuals and companies who were not principally involved in real estate. The provision continued until 1979 and was renewed for 1980-81.

***Federal/Provincial/Territorial Dimensions***

Federal-provincial relations have been an ongoing element in social housing. In the post-WW II era, provinces gradually assumed increasing financial and administrative responsibilities for social housing. Throughout the 1970s, provincial housing agencies were created and took on delivery of federally funded programs. By 1978, concerns about overlap and duplication led to a set of new federal-provincial agreements in housing to facilitate "disentanglement". In 1985, a new set of agreements for the delivery of social housing was negotiated with the provinces.

Annual social housing production peaked in the early 1980s and began to decline. In 1986, the government began to target all social housing subsidies to households in core housing need, thus ending assistance to higher income households in mixed income communities. While annual social housing production fell below 20,000 units per year annually after 1985, all households served were in core housing need.

The Federal and Provincial/Territorial annual production of social housing since 1970 is shown in Table 1 below and expenditures on housing since 1970 are shown on Table 2.

**Table 1 - Annual Creation of "New" Social Housing and Renovation of Existing Units**

**(Federal and Federal-Provincial-Territorial)**

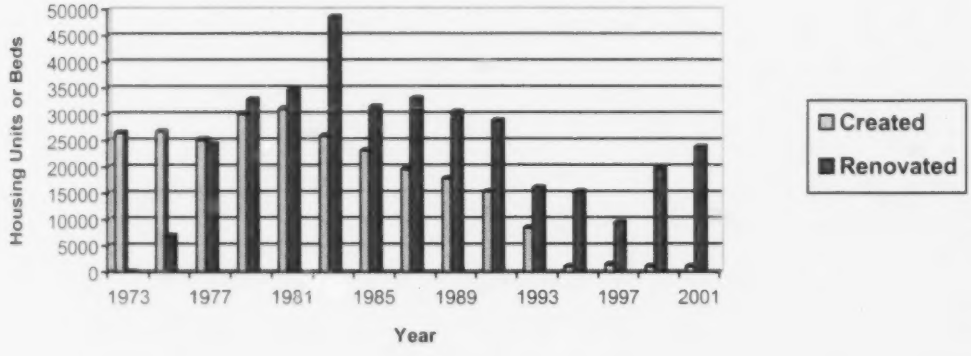
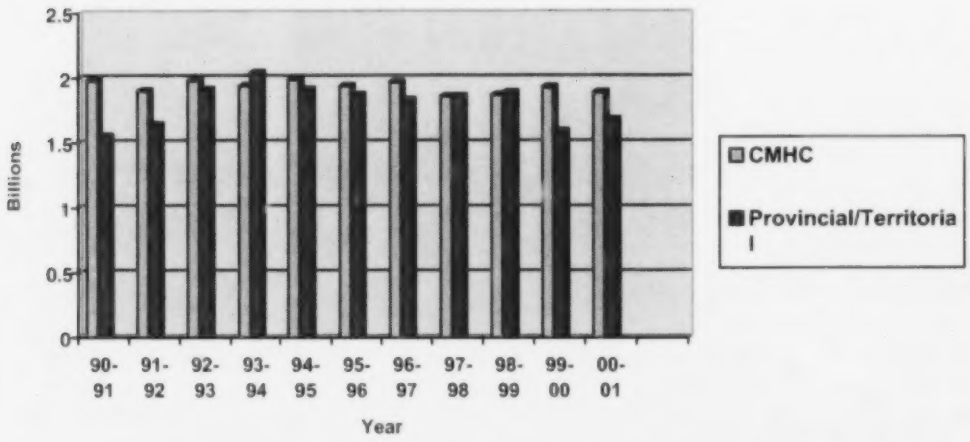


**Table 2 - CMHC and Provincial/Territorial Annual Spending on Housing 1990/91 to 2000/01**




### *A Period of Retreat*

New federally assisted social housing production continued to decrease in the late 1980s and early 1990s. Constitutional discussions challenged the role of the federal government in the housing area. In 1992, the Charlottetown Accord was drafted calling on the Federal Government to relinquish its control over six key areas (the "six sisters") including housing to the provinces. Clause 33 of the Accord has the following wording: "Exclusive provincial jurisdiction over housing should be recognized and clarified through an explicit constitutional amendment and the negotiation of federal-provincial agreements. This should be done in the same manner as set out above with respect to forestry."[5]

Following the defeat of the Charlottetown Accord in a national referendum, there was a sort of convergence of the Government of Canada's constitutional and fiscal agenda. In 1993, the federal budget indicated that the government would not increase its support to social housing beyond its current annual level of about $2 billion per year, which was largely used to subsidize the mortgages on existing social housing. It also indicated that it would no longer fund social housing through

[5] Charlottetown Accord 1992

long-term funding commitments, except on Indian reserves, because they "...impose most of the costs of today's housing support on future taxpayers".[6]

Although the budget indicated that efficiencies in administration of the social housing budget could be used to provide housing programs to those in need, this decision effectively ended federal support for the creating of new social housing at the end of 1993.

The 1996 Federal Budget went a step further. It stated that the government would "...further clarify jurisdiction in the social housing field" by offering its existing administrative responsibilities for existing social housing to the provinces and territories (for the 50% of social housing that was not yet under provincial control). It was indicated that the issue of third parties in the administration of social housing would be discussed with provinces and territories. To date, social housing transfer agreements have been signed with nine jurisdictions and approximately 75% of the 640,000 social housing units are under provincial or territorial administration.

Federal subsidies on these units will expire over the next 30 years as the mortgages expire with a steep drop-off around 2020. Social housing providers are already discussing ways in which the housing will remain in the non-profit social sector. There is also discussion about how to keep the existing stock affordable over time, especially given that a good portion of it will be in need of major repair. Several provinces and housing groups have provided funding for an ongoing project directed by the Canadian Housing and Renewal Association to explore issues which will arise with the expiry of funding and these operating agreements.

***Re-emergence of a Federal Role in Affordable Housing Supply***

Affordable housing came back strongly on the public policy radar screen in the late 1990s concurrent with growing public interest and concerns about homelessness in cities, urban infrastructure and quality of life. Apartment vacancy rates in major Canadian cities had fallen to rates below 3% and under 1% in several large cities like Toronto. New rental housing starts have continued to be low.

The developing affordable housing "crisis" was said to be created by several factors including collective decisions by governments not to build any new social housing since the early 1990s, a lack of private sector interest in private rental investment, and rent control deregulation and cuts to welfare programs (particularly in Ontario).

The Government of Canada has indicated a heightened interest in addressing the diminished rental housing starts in Canada and more recently has tied this concern to the well being of Canada's urban centres. In its Speech from the Throne in 2001 and 2002, specific reference was made to its intention to address the shortage of

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[6] Federal Budget 1993

affordable housing. The 2002 Speech from the Throne specified an interest in affordable housing as part of the Government's interest in strengthening urban centres.

> "It will extend its investments in affordable housing for those whose needs are greatest, particularly in those Canadian cities where the problem is most acute. It will extend the Supporting Communities Partnership Initiative to provide communities with the tools to plan and implement local strategies to help reduce homelessness."[7]

As a follow up to the Speech from the Throne, the federal government announced in its 2003 budget that it is prepared to invest an additional $320 million over five years through the existing affordable housing agreements with provinces and territories to help increase the supply of affordable housing to Canadians. In addition, The Residential Rehabilitation Assistance Program is being extended for three years with funding of $128 million annually and the Supporting Communities Partnership Initiative was also extended for three years with annual funding of $135 million.

On November 19, 2002, The Prime Minister's Caucus Task Force on Urban Issues chaired by Member of Parliament, Judy Sgro, presented its final report "A Blueprint for Action", calling on the Government of Canada to implement an urban strategy, The three priority programs recommended by the report were a national Affordable Housing Program, a National Sustainable Infrastructure program and a National Transit/Transportation program. Housing issues were tied to the importance of supporting competitive urban regions and were gaining prominence as a national as well as a regional priority.

## 3.0 Building Healthy, Diverse Cities That Attract Talent

There is wide recognition in the literature that the economic health of cities and city regions is an important forecaster of a nation's economic well-being. According to Bradford (2002) and Florida (2001) among others, cities seeking economic expansion must first make themselves attractive to talented people. This, they advise, can be accomplished by providing a home for innovation and a rich mix of learning opportunities within an environmentally sustainable and culturally and ethnically diverse environment. Furthermore, these goals should be achieved within a socially inclusive and cohesive environment. Cities must find ways to nurture and develop these elements to promote economic prosperity.

Housing was generally seen as important to building healthy inclusive cities, Torjman (2000), Clutterbuck and Novick (2002), Bradford (2002), Maclennan

[7] Speech from the Throne 2002

(2001), Gathering Strength (1996), Lankin (2002) Cooper (2001). They acknowledge the core role of adequate and affordable housing in creating the kinds of communities and cities that their research deems essential to competitiveness. Other researchers mention the need to address critical shortages of affordable housing and provide homes and opportunities for the homeless. This is best accomplished by developing communities with a mix of income earners in keeping with an inclusive society concept. There is consensus among the researchers reviewed that the health, competitiveness and continuing vitality of our cities depends on strategic investment in the social aspects of community including investments in affordable and appropriate housing for all citizens.

According to Maclennan (2001), housing shapes a society, how it works, how it responds to global patterns and the degree of social and economic progress. The social patterns which differ from one community to another influence the way in which the global economy develops in a place. Therefore, there is a need to look closely at how communities work and the role that housing plays in them if we are to take advantage of economic opportunities. In this regard, Maclennan integrates housing with other social areas including health, criminal justice and employment.

Housing is seen as an investment in these areas as well as expenditure. Maclennan advocates for housing policy that goes beyond those most in need and towards a strategy for all in society who struggle financially to access shelter. Like others, he finds that globalization has not resulted in the disappearance of distance but conversely that it has magnified the importance of the community in the construction of new ideas. This, he argues, leads to a growing role for community groups in the formation of ideas and delivery of programs in a broad array of areas.

New innovations and ideas come out of a particular social context in a particular space. They are nurtured in places that build social capital through trust, cooperation, information exchange, and in mechanisms like clubs, meeting places and casual contacts. Local markets then, become both social and economical enterprises. An approach that respects and understands these linkages, Maclennan argues, is needed for economic competitiveness. He connects the local level with the national level and argues that by understanding the local context, we will better understand the appropriate national role. Maclennan's work attempts to establish a theoretical basis for investing in community health and well being in order to become competitive as a country. This follows on the work of others including Gertler and Florida who argue that the competitiveness of local communities and urban centres drives the national economy.

Florida (2000) suggests that cities must attract creative people and build open, diverse communities if the city is to foster industry. It is not useful to entice industry with tax breaks, new roads or other financial incentives. While these measures may work for resource-based industries, they are not as enticing for information industries. A far better incentive to attract investment is to attract talent in the ways

in which he describes in his studies. Industry and employment will occur when talent is concentrated in a region. In fact, he quotes Carley Fiorina, CEO of Hewlett Packard, who told governments to stop giving money and incentives to business. Bring in the talent and business will follow, she urged. [8]

According to Florida, amenities and diversity are the non-market forces that are associated with competitive cities. Amenities can cover a variety of services including shops, entertainment venues, parks etc. High amenity places have underlying efficiencies in the delivery of services. Diversity is related to race, ethnicity, nationality, gender and sexual orientation. He states that an open system with an interconnected "federation of neighbourhoods" attracts diverse talent. People will gravitate to neighbourhoods and communities that have a particular appeal to them like a common ethnic presence, or an open gay community. There must be a sense that the newcomers can "...be themselves".[9]

Although access to secure housing is not addressed in his current research, Florida has stated in personal correspondence with this author "...this (the relations of affordable housing to economic competitiveness of cities) is a very important issue and one that I am just beginning to probe." (December 16, 2002) Florida's research methods were used in a more recent Canadian study by Gertler et al (2002). It was found that the relationship between the concentration of people in the arts and creative industries, what is termed the 'Bohemian Index', is strongly related to the concentration of knowledge and technically based industry. In fact, a strong "Bohemian Index" was found to be a better predictor of knowledge-based industry than the 'Talent Index', (concentration of people with at least one university degree). If cities want to attract and retain talent, they will also need to attract creative people and support, nurture and celebrate diverse ethnic and racial groups. These people tend to concentrate in certain kinds of regions where there is a welcoming and diverse social environment. They need access to housing at a variety of prices. A neighbourhood that does not have affordable housing as part of its overall mix is unlikely to support a Bohemian society.

Quality of place, Florida argues is *the* critical determinant in the distribution of talent. The new economy is a horizontal economy characterized by horizontal institutions. The social networks that support communities must also have horizontal institutions that can connect talented individuals to learning institutions, cultural opportunities, career opportunities and skills enhancement. According to Florida, talent will seek organizational environments, community environments, regional environments and neighbourhood environments.

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[8] Florida 2000 pages

[9] Florida 2000 pages 6-7

In his research on Canadian cities, Gertler et al (2002A) found that in order to attract talent, cities must be sites of innovation, know-how, creativity and imagination.[10] Social factors such as local quality of life, condition of the natural and built environment, quality of schools, social harmony, absence of crime are all cited as crucial factors in attracting talent and investment. These kinds of outcomes, he argues, have depended on government investment in social programs. Access to affordable housing and quality childcare are the kinds of services that help support a healthy city. But often, the most attractive cities come with the highest median house price. (Florida 2000) This places barriers on the ability of low-income households and new immigrants to integrate into areas that have employment potential. Gertler also argues that it is critical that there be "...low entry barriers,"[11] so that a community can accommodate a wide variety of households with a range of incomes.

Canadian cities tend to be more ethnically diverse and have a slightly higher Bohemian Index than US cities although the relationships between the factors studied; that is; creativity, diversity, talent and the presence of knowledge based industry were found to be very similar in the US and Canada. The main conclusion drawn from the work of Gertler et al can be summed up in this way:

> "... there appears to be a strong set of linkages between creativity, diversity, talent and technology-intensive activity that are driving the economic growth of Canada's – and Ontario's – city-regions. This also suggests that public policies at all three levels of government that support immigration and settlement, as well as nurturing the arts and creativity, have played a critical role in creating the conditions for successful urban economic development today and into the future. These results also have wider implications for public policies related to urban development and growth management. They suggest that Ontario's and Canada's city-regions ought to reinforce and strengthen their urban character by using planning tools that encourage higher density growth, diverse, mixed-use urban redevelopment, and the preservation and accentuation of authentic, distinctive neighbourhood character."[12]

Urban prosperity and poverty exist simultaneously and are driven by similar economic engines. A city-region needs to be able to respond to the needs of its poorest citizens in order to promote social cohesion and diversity, both of which are key factors in quality of life. City regions have a number of tools including planning

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[10] Gertler et al 2002 page 13
[11] Gertler et al 2002 page 17
[12] Florida 2000 24-25

tools which allow them to foster the development of healthy, diverse cities and encourage the development of affordable housing. In addition, assistance from other governments will be needed, especially in aspects of social programs that address income inequalities as will be addressed in later chapters of this paper, but especially for the provision of housing targeted to low income households.

## 4.0 Housing as a Pillar to Social Inclusion

### 4.1 Social Inclusion

Social inclusion reflects a growing international recognition that investments in human and civic assets are core foundations to economic prosperity and social well-being.[13] Although it intersects with the notion of social cohesion, social inclusion takes a more in depth view of the well-being of individuals and society. A social inclusion agenda calls for structural change in a broad range of areas in order to promote the participation of all citizens in the social, cultural, economic and political realms. It recognizes the importance of access to basic needs like housing in order for the individual to be able to fully participate in society. But a social inclusion lens goes beyond the provision of basic services. In the realm of housing, it calls for an examination of how housing programs are designed and administered. For example, the degree to which an individual can retain and enhance their autonomy and sense of self-worth by having some control over their housing becomes more important (e.g. through shared ownership, mutual responsibility, participation in management). Therefore, for social and affordable housing providers, it is necessary to review assumptions about program delivery within a social inclusion framework to ensure that the individual's rights are not diminished, but rather enhanced to the extent possible through program development and practices.

The discourse on social inclusion as a lens for viewing inequality and assessing relevant interventions has been promoted by a number of Canadian social policy think tanks recently, particularly the Laidlaw Foundation and the Canadian Council on Social Development. Their work has resulted in an emerging understanding of the value of using a social inclusion/exclusion lens within a Canadian context.

Throughout the summer/fall of 2002, the Laidlaw Foundation in partnership with the Federation of Canadian Municipalities conducted a series of community consultations or "soundings". Research leaders, Clutterbuck and Novick (2002)

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[13] Sylvain Cote (2001). *The Well-Being of Nations. The Role of Human and Social Capital.* Paris: Organization for Economic Co-operation and Development.

found that participants defined inclusive communities as having a number of critical characteristics. Chief amoung them were the sense that people are treated equitably. This translated into everyone having a decent standard of living including access to good housing.

Inclusive communities are also accessible and sensitive to issues of diversity. Services like affordable and supportive housing should be provided in a culturally sensitive and appropriate way. This means that attention should be paid to the particular needs of certain groups like immigrants and Aboriginal peoples who have needs for housing and social supports that can vary from the norm. For example, immigrant families often need larger housing units. They may need assistance with language or understanding the systems that are available in order to access housing. Cities face immense challenges in working towards such inclusive principles. They suffer from what Bradford (2002) refers to as the "Double edged urban reality: Places of economic opportunity and social exclusion."[14] Even though a prosperous environment may exist in many cities, there are groups that are completely shut out of the economic opportunities created.

Clutterbuck and Novick's (2002) cross-country soundings concluded that strategies to build inclusive communities must be multi-level and cross sectoral in order to reach the kind of goals they consider essential. Participants recognized the need to build a stronger level of civic involvement but also noted the need for adequate resources to build social infrastructure with funding for housing, transit, libraries etc. Written responses from 830 of the participants identified failing social support systems including a lack of family and social networks amoung vulnerable populations and cutbacks to community services as the top two factors causing increased vulnerability. Lack of safe and affordable housing and childcare were cited frequently.

Fallis (1995) maintains that it is important to recognize that the existing stock of 640,000 social housing units and the associated annual investment of some $4 billion per year is part of social policy. This is supported by the fact that those who are part of the retirement income subsystem occupy 45% of units and many non-senior residents rely on social assistance and other public support. However. Fallis notes that social housing and social policy have been traditionally managed independently. A more integrated approach could promote an examination of the needs of the individual and how the various programs intersect and either enhance or fail to meet individual needs.

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[14] Bradford Presentation 2002

Chisholm (2002) comments that housing has an intimate link to social inclusion. "Housing is a gateway through which we connect to our immediate environment and society at large. It reflects social status, belonging to community, a centre to gather with friends and family, and so it has a direct bearing on the extent to which we experience social inclusion or exclusion."[15] Drawing from a CHRA research project described below, social inclusion can be viewed as people's capacity and agency– their means and supports– to control their lives. CHRA examines capacity and agency in view of their ability to shape access to secure shelter in an inclusive and healthy neighbourhood environment. Chisholm argues that zoning regulations can facilitate inclusion by allowing a variety of housing forms like multiple unit dwellings mixed within most residential zones, secondary suites etc. Such inclusionary zoning practices build mixed income neighbourhoods, provide land to develop affordable housing and help to avoid spatial concentrations of poverty.

The growing appreciation of smart growth and compact communities can benefit the environment and encourage the provision of more affordable housing forms like apartments, stacked townhouses and accessory housing units. However, there is also the danger of increasing land values pushing up housing prices and resulting in fewer affordable housing options. The urban revitalization that occurs with intensification can result in gentrification and the displacement of low income groups. Displacement can result in greater disparity and spatial segregation resulting in a loss of job opportunities and affordable housing options. Municipal land use policy would have to intentionally seek to provide housing for all income groups if inclusive cities are the goal.

CMHC has examined the impact of regulatory reform and its ability to support the provision of affordable housing. A report titled Affordable Housing Mandates: Regulatory Measures used by Stated, Provinces and Metropolitan Areas to Support Affordable Housing examines how states and provinces have used their powers to require that municipalities support the provision of affordable housing in their planning acts.[16] With the growing municipal focus on smart growth, additional work is needed to study how the implementation of these policies can protect and enhance affordable housing opportunities and neighbourhood income integration.

A CHRA research report on social inclusion and housing (Shillington 2002), sets out a framework that categorizes three ways in which housing influences a child's autonomy: 1) Symbolically– the home and surrounding neighbourhood facilitates the participation of children in their communities and depends, to a large extent upon where they live; 2) Physically- the condition of the dwelling, whether it is

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[15] Chisholm 2002 page 9

[16] CMHC Research Highlights #95 2001

crowded, will be a major health determinant and 3) Socio-economically– the kinds of services and supports that are available in the neighbourhood will influence the extent to which the child will have means to integrate with the larger community. Chisholm (2002) also finds that autonomy and capacity are linked to the extent to which the resident can have control over their housing. Homeownership generally offers more personal control than rental, but if residents can influence the management or even design and location of rental housing, they can have a greater sense of autonomy and housing that better suits their particular design and locational needs. Community or resident-owned affordable housing can influence social exclusion/inclusion by finding ways to allow resident involvement in decisions that affect their housing.

Recent work in the UK has begun to focus on identifying and implementing indicators that can be used to assess changes in building towards inclusive communities. Most indicators are related to income, i.e., the government has set a specific target to reduce the number of poor children by 25% over a six year period. Another important indicator is access to employment, but related to this is educational achievement in various age groups. They are not only looking at how far youths progress in their education, but also how well they perform along the way. The report called *Monitoring Poverty and Social Exclusion* (2002) is but one example of a growing list of reports and initiatives that have begun to measure progress using indicators of social inclusion. The number of households in temporary accommodation is measured along with the number of rough sleepers (the absolute homeless). Such work provides the basis for choosing indicators related to housing and social policy investment in Canada.

### 4.2 Growing Urban Poverty

Poverty rates in Canada's metropolitan areas grew by 33.8% from 1990-95 while the total population grew by only 6.9%. Bradford (2002) reports that the poverty rate growth is far greater in inner city neighbourhoods and older inner suburban rings than outer suburbs. Aboriginals, immigrants, refugee claimants, single parents and visible minorities are disproportionately represented in these neighbourhoods and amoung Canada's poor. This kind of growing inequality has caused cultural alienation and social isolation. Among the symptoms of poverty in these poor neighbourhoods is the high level of housing need.

While Canadian cities have not had the levels of inner city poverty as US cities and have greater ethnic diversity than cities in the UK, social isolation is still a significant and growing issue. Aboriginal groups are particularly disadvantaged with an urban poverty rate more than twice the national average. Hanselmann reports that Aboriginals are over-represented among the homeless in Vancouver, Calgary and

Edmonton and likely in Saskatoon, Regina and Winnipeg where data is not available. Such homelessness is "symptomatic of large problems such as substance abuse, mental health issues, family breakdown, underemployment, low income, and racism; many of these conditions also contribute to housing need."[17]

Cities have been left with little resources to address the growing issues of poverty concentration. At the same time, it is cities that must address issues of housing shortages, immigrant settlement services, childcare, etc. Gertler et al (2002B) concluded, "...all of the great social policy questions of the day –education, health, poverty, housing and immigration –become urban policy questions."[18] This has come about as a result in many cases of diminished federal, provincial and territorial budgets for social programs. But Gertler also emphasizes the important role of civic officials and community groups which are best positioned to understand and identify the strategic social issues of communities and to utilize horizontal linkages with community groups and local health and social service providers in designing appropriate program responses.

In some ways, the crisis for cities in the provision of social services is not a new phenomenon. In Chapter 2, it is noted that Anderson maintains cities were hard pressed to meet the increased need for assistance with affordable housing during and after the Great War, the depression in the 30's, the second war and the desperate need for renewal of inner city neighbourhoods in the 60's and 70's. Cities again are left with addressing homelessness and a severe and growing lack of affordable housing. Again, they have joined each other in a number of calls for action by provincial and federal governments.

Bradford (2002) comments that Canada has benefited from a fairly comprehensive package of federal-provincial programs. These included a variety of housing programs supported by federal, provincial and territorial governments. But he cautions that we cannot continue to live off the benefits of these old investments. He argues that new programs are needed to address the growing gap between the cost of housing and what households can afford. He also suggests that governance structures should allow for the participation of a wide range of players in addressing these issues. Cities have already made some progress on building bridges between local government, the affordable and social housing sector, the private sector and community agencies. However, a significant amount of new capital is required to address the magnitude of affordable housing need.

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[17] Hanselmann 2001 page 7
[18] Gertler 2001-B page 24

Lack of affordable housing can deny individuals of their connection to family, friends, community, support networks, schools and the ability to participate in the life of their communities. Bradford (2001) argues that lack of a healthy vibrant, mixed neighbourhoods can also create obstacles to employment. There may not be adequate transportation to employment; the distance from jobs can create issues around childcare and family time. Living in a poor neighbourhood means that job opportunities are further away and can even make it difficult to hear about employment and training opportunities. At the same time, planning for mixed income communities where affordable housing is planned into new subdivisions will encourage social inclusion.

Bradford further argues that more program interventions in areas like housing and health is an important part of what will be needed to combat social exclusion. Marginalized peoples need to be reconnected to the economy and to society. He suggests that more mixed income housing in these deprived neighbourhoods is needed. The kind of diversity that is created by such an approach is seen by Bradford to be a powerful tool in building social connections and promoting civic engagement. [19]

### 4.3 The Neighbourhood Effect

The neighbourhood effect describes discernable differences in outcomes which are characteristic of particular neighbourhoods. For example the presence of cultural or learning institutions in a neighbourhood might affect outcomes in voting patterns, or student learning. The socio-economic status of residents or diversity in terms of household formation or ethnic background could affect outcomes in certain spheres. Maclennan (2001) suggests that we have to examine how we make housing policies by looking at how neighbourhoods and communities are affected. While it is generally accepted that housing policy is linked to other social policy realms like health, child development, poverty, poverty concentration, social cohesion and environmental sustainability, little work has been done to determine how to deliver policy that improve outcomes in targeted areas. (Maclennan, 2001)

Maclennan acknowledges that housing practitioners in the current environment need to deliver and manage housing that has "...more complex outcomes in more difficult circumstances with reduced resources and less clarity about roles and relationships."[20] He argues that housing policy should be more responsive to different objectives at various levels of government and ought to be placed in the broader realm of social and economic goals. He sums up this view by stating "...to

[19] Bradford 2002 page 38
[20] Maclennan 2001 page 2

see housing policy as simply being about rent assistance bills is to focus on failure and to miss the constructive dimension of housing policy."[21]

Maclennan's contention is that housing should be viewed as a mechanism for supporting neighbourhood and community effects. Housing policy can realize its fullest potential in influencing social and economic progress when the community effects, relationships and connections are understood. Effective, connected neighbourhoods and communities create grass root democracies that nurture innovation and change. Economic and social change, Maclennan posits, take place in neighbourhoods and communities and the business networks of cities. But Maclennan also argues that the neighbourhood effect can be strengthened by global competitiveness. A bottom up approach should take account of the neighbourhood effect and a top down approach should put the tools in place to permit neighbourhoods to participate in economic opportunities.

Maclennan argues that housing programs of the 70's and 80's were more or less established to meet a need that was not filled by the market, since the market did not and could not provide housing for everyone. New housing policies have to focus less on these economic ideologies and more on outcomes. While the market will still continue to provide most of the new housing, other institutions like the family and the community are also important players. The links between people and their work and lives, the institutions and supports that they use everyday have a role to play in developing housing policy. Governments need to rely more on inter-sectoral actions and horizontal connections to bring a range of players to the task. These include local governments, communities and concerned individuals. Maclennan summarizes his view in this way: "...integrated policy requires the recognition and implementation of synergies in policy with both multi-sectoral and multi-levels of decision taking involved by multiple agents."[22]

In order to develop and deliver housing policy that addresses a number of objectives, it is necessary to understand how neighbourhoods work within cities, in what ways they are changing, to what extent the neighbourhood effect determines economic health. Neighbourhoods include their internal structures like shops and schools and external connections with sources of information, education, training, and jobs. Linkages to outside resources, at the regional, national and even global levels are as essential as local amenities.

While Maclennan describes the importance of understanding neighbourhood effects, he acknowledges that it will not be easy. So many variables like location,

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[21] Maclennan 2001 page 2
[22] Maclennan 2001 page 7

ethnicity, poverty, neighbourhood deterioration all play roles that are hard to disaggregate. Social capital itself is hard to measure and in any case there are few statistical sources of information that provide suitable measures to determine results and correlations. However, he argues, it is critical that we understand what mechanisms create neighbourhood quality and social capital.

Cooper (2001) finds that healthy outcomes for children are influenced by the communities and neighbourhoods in which their housing is located. Housing cost, tenure and stability are also important factors and affect the ability of the household to make connections and develop social capital within a neighbourhood.

Bradford (2002) argues that the neighbourhood effect can seal off residents from efficient transportation routes to work, especially when jobs shift outwards to suburban areas. Their neighbourhood isolation may mean they pay more for groceries and banking services and lack adequate and safe play areas for children.

## 5.0 Housing and Health

### 5.1 Linking Housing and Health

Several international studies point to links between good health and affordable, secure housing. Virginia Rauh of the Centre for Children's Environmental Health at Colombia University, studies social stressors including chronic social conditions and their affect on health. "Housing is a basic need, and when it's dilapidated, that's a pretty powerful stressor,"[23] she commented. She finds inadequate housing to be a good indicator of people living with health harming stress. They tend to suffer from "...greater infant mortality, more birth defects, higher cancer rates, and a higher incidence of asthma, diabetes and cardiovascular disease."[24] The use of pesticides, pests, lead paint, leaking pipes, all of which are associated with poor housing can also bring on symptoms of ill health. She also notes that higher rates of bacterial vaginosis amoung females are associated with poor quality housing.

But Rauh also noted that there is an immense variance of quality of life within families living in deteriorating housing. These differences, she says can be related to such factors as healthy kinship ties along with housing security, the sharing of resources and the crime level in the neighbourhood. Therefore it is important to consider the social as well as the physical characteristics of the housing and the neighbourhood in which it is situated.

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[23] NEIS News 2002 page 2
[24] NEIS News 2002 page 2

High housing costs can also lead to a shortage of funds for food, medication and heat. A US study by the Family Housing Fund (1999) found that children on waiting lists for subsidized housing were six times more likely to have stunted growth as those in subsidized housing. According to this study, an estimated 21,000 children have stunted growth as a result of not having affordable housing. The same study found that children in unaffordable housing were 50% more likely to be iron deficient than those children living in subsidized housing. Not surprisingly, homeless children fared even worse. The study found that:

> " - Homeless children suffer almost twice the respiratory infections and five times the diarrheal infections as housed children,
> - Homeless children also experience seven times the iron deficiency, twice as many hospitalizations, and significantly worse overall health status compared to housed children,
> - Homeless children suffer increased psychological problems. Half of all children in shelters show signs of anxiety and depression."[25]

A project in its early stages in Canada is seeking to establish the links between health and housing. A framework is being developed to explain the housing/health connection. Dunn and colleagues are working with CMHC and CHRA to identify indicators which could be used to establish these links. A discussion paper[26] was prepared and consultations held over the period September, 2002- January, 2003 in Calgary, Toronto, Halifax, Ottawa, Montréal and Winnipeg.

Dunn suggests three major dimensions linking health outcomes to housing for further study. These are housing's material, meaningful and spatial dimensions. Material aspects refer to the condition and suitability of the housing as well as its cost and relative affordability. The meaningful dimension sees housing as a refuge, a place in society that denotes status, identifies and confers a sense of security, belonging and permanence. The spatial dimension connects housing to its surroundings, the neighbourhood, its amenities, proximity to social and personal supports. Dunn uses the population health perspective that suggests that good health is predicated on social and economic characteristics of individuals and populations more than medical care and health behaviours. He cites studies that support the notion that there is a direct correlation between social and health status. These differences in health are believed to be associated with stresses in life particularly as experienced by those who have difficulty in providing basic food and shelter for themselves and their families. These observed health gradients, Dunn postulates, suggest that housing is a focal point through which a range of health

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[25] Family Housing Fund 1999 page 2
[26] Dunn 2002B

determinants flow. In this way, Dunn links housing policy to health policy. Housing affects a person's ability to feel secure, to secure employment, to be part of a neighbourhood etc. Further research is needed to quantify the extent to which Dunn's thesis is correct.

Data can be collected from existing surveys like the National Longitudinal Survey on Children and Youth, the National Population Health Survey and the Community Health Survey by adding questions on housing condition. Dunn suggests that child development as it relates to housing should be a focus of data collection as it could provide important linkages to health and performance. He further suggests that simple questionnaires administered by social housing providers to reveal health differences between those on waiting lists and those securely housed could also reveal the extent to which housing is a vehicle to better health.

### 5.2 The Homeless

According to the Canadian Pubic Health Association, homelessness has emerged in Canada as "...a fundamental health issue."[27] Evidence includes increased mortality and decreased quality of life. Adequate housing, they believe is a prerequisite to health. They further differentiate between the absolute homeless, those who sleep on the street or in shelters and the relative homeless- those whose housing is unaffordable, inadequate and insecure. The health outcomes will vary between these two groups. They suggest that government surveys include questions on health when surveying the homeless so that appropriate public health policies can be put in place. They cite the loss of affordable rental housing and gentrification of cities which has diminished the stock of low cost housing, especially rooming houses as major factors affecting the supply of affordable housing.

Health and the spread of decease are important quality of life concerns for cities. In the past, improved sanitation and housing conditions helped to reduce the incidence of tuberculosis (TB). TB is again emerging as a health issue in Canadian cities. It is highly transmissible and easily spreads within the close sleeping conditions of overcrowded shelters. A further health issue for the homeless is the difficultly they have managing a medication regimen given their lack of personal space and the high level of uncertainty in their lives. For homeless people living with HIV and AIDS, their defense against TB is reduced and their health problems are often compounded because of their increased susceptibility to TB. The incidence of traffic accidents, (being hit by a car) and frostbite are also reported to be significantly higher in the homeless population.

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[27] CPHA 1997 page 1

From a population health perspective, the homeless are lacking many of the things that keep people healthy like income, social status, support networks, education, a healthy environment for children, jobs, health services. "Poverty, unemployment, mental illness and geographic dislocation are among the leading causes and results or their condition."[28] The lack of options to deinstitutionalization together with reductions in medical services has also contributed to increasing homelessness among people with mental illness.

## 6.0 Community Economic and Social Development

### 6.1 The Need for Social Capital and Capacity Building

Social capital has been defined as "the quality and quantity of relationships, networks, and norms among people and organizations that facilitate collective action."[29] Three strategies are given as essential to building social capital:

> "-Bonding strategies that build trust and cooperation among individuals and within communities.
> -Bridging strategies that break down barriers across groups and communities and enable collaborative action on shared objectives.
> -Scaling-up strategies that connect communities in collective action for social change and development at the policy and/or systems levels."[30]

These strategies can inform the discussion on affordable housing policies by adding new potential outcomes for housing investment. These kinds of outcomes require greater cross-departmental understanding and involvement. Since housing is such a fundamental need, but has such complex variables in its delivery approaches, it can provide a fertile environment for enhancing the social capital of individuals. Factors such as the neighbourhood environment, schools, job opportunities, design integration, integration of income support programs can all play a substantial role.

Bradford (2002) identifies four frameworks to shape the discussion on urban futures:

- an economic cluster framework,
- a social inclusion framework,
- a community economic development framework and
- an environmental sustainability framework.[31]

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[28] Chenier 1999 page 2
[29] Social Planning Network of Ontario 2001 page 1
[30] Social Planning Network of Ontario 2001 page 1
[31] Bradford 2002 page 30

He argues that all frameworks reveal the inability of the traditional economic paradigms of Keynesianism and neo-liberalism to respond. All three encapsulate Gertler's "...social character of cities"[32] Each respects both market imperatives and community stability. They are inclusive of the notion of social capital, learning opportunities, local networks but these clusters may exist alongside clusters of poverty and deprivation. Bradford points out that social inclusion analysts seek to emphasize socioeconomic equality.

Bradford (2001), among others, sees community action starting with capacity building as a potential method for making appropriate investments in an effective way in areas of concentrated poverty. Individuals in poor neighbourhoods need to develop the capacity to access services and networks both within and beyond the immediate neighbourhood. Capacity building is needed at the individual as well as the community level. Improvements to the neighbourhood including expanding affordable housing options are best achieved in partnership with community residents. Capacity building and community redevelopment is most effective when it builds links with other sectors. Such links support achieving multiple objectives, since different interest and goals are brought to the table. More importantly, they connect the participants to supports and services which can enable them to better their situation. In Canada and elsewhere, this has often been accomplished through using a community economic development, CED, approach.

In Canada, the CED movement had resurgence in the 90's as social programs were cut and poverty intensified in some neighbourhoods. Since the approach depends on citizen involvement, it tends to build social capital and a sense of belonging among its participants. Many community development corporations identified the provision of affordable housing as their first goal and the efforts of many of these groups are well documented in *Homegrown Solutions* reports.[33]

Sponsored by the Canada Mortgage and Housing Corporation and administered by the Canadian Housing & Renewal Association, Homegrown Solutions was in place for six years and has had the active participation and support of the Federation of Canadian Municipalities, the Canadian Homebuilders Association and the Co-operative Housing Federation of Canada. Although the program no longer exists, sixty-six projects were funded and final reports are available for most of these. Though a modest initiative, Homegrown Solutions managed to maintain and build upon the capacity to develop affordable housing at the community level through a period of cuts to social housing programs. Homegrown was essentially a research

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[32] Gertler 2001 page 3
[33] chra-achru.ca

initiative but it resulted in over 400 units of housing being completed to date. The initiative was successful in attracting new sources of participation and investment. Over half the applications received were from non-traditional housing providers. New sources of funding were identified and housing trust funds were put in place in some communities. The groups that managed to develop housing were generally located in small communities where the housing costs were lower. The process of putting together an application itself was in some cases enough to stimulate community interest. Four out of five groups that applied but did not receive funding continued with their project. [34]The community capacity built through this relatively small initiative has enabled communities to build and retain a minimum level of know-how and participate in new initiatives such as federal-provincial/territorial Affordable Housing Initiative which was launched in 2001 .

But community economic development is not seen by all to be the best approach for distressed neighbourhoods. Deprived neighbourhoods are not resource rich and require program and infrastructure support if any kind of neighbourhood transformation is to take place. Bradford summarized the common themes amoung the various viewpoints in this way, "To have any chance of success community economic development requires a supportive macro-level environment."[35] While horizontal connections at the community level are important in addressing the new levels of poverty concentration and social exclusion, it is just as important to retain the links to provincial/territorial and federal governments. An understanding of the problem(s) must be developed at the local level with the agreement and support of senior government funders in order to identify and begin the work of regenerating poor neighbourhoods. Dreier (2001) has also argued that by focusing on the local neighbourhood rather than taking a more regional approach, investment in community economic development can re-enforce existing spatial segregation. Maclennan (2001) describes two types of area-based strategies: one would target poverty without specific aims to change the economic prospects of the place. This he titles "palliative redistribution." The second would aim to reduce the area's reliance on intervention measures. These strategies are termed "area development policies." He further breaks out area development policies into those which are based on action in a particular sector such as employment generation or housing improvement. These are termed "sectoral policies." Finally he describes "creative neighbourhood policies" which seek to increase the capacity of local organizations and individuals to change the potential of the area to regenerate in a sustainable fashion.[36] A social inclusion framework for area regeneration would entail "neighbourhood regeneration strategies which link local and mainstream policies

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[34] Pomeroy 2003
[35] Bradford 2002 page 41
[36] Maclennan 2001 page 3

and which recognize that lasting social improvement will also require, simultaneous economic actions and stronger roles for communities."[37]

### 6.2 The Need for Investment in Social Infrastructure

FCM argues that infrastructure is more than "...pipes, roads and buses".[38] It also encompasses public gathering places and affordable housing. They cite the example of the Community Development Block Grant in the US which specifically focuses on neighbourhoods in decline. They also refer to the European Regional Development Fund, ERDF, which supports projects that meet social, environmental and economic goals. Target regions include those with lagging development, areas undergoing economic and social conversion, and those suffering from higher unemployment, a decaying urban fabric, poor housing and a lack of social facilities.[39] This support has proven to be instrumental in attracting new private sector investment into these regions and narrowing the gap between the per capita income in target regions and the EU average.

Both the European Union countries and the US view housing improvement as central to the work on revitalization of distressed communities. While Canada has not seen the level of decline that is present in either some US cities or European cities like Manchester, there are already signs that neighbourhoods within city regions are experiencing significant increases in spatial concentration of poverty which results in lack of economic opportunity. Such regions do not attract the kind of talent that Florida (2000) and Gertler (2002A) argue is an important pre-condition to investment.

In the US, Community Empowerment Zones and Enterprise Communities target such distressed communities. Introduced in the 80's, these programs are mandated to work with community boards, provide funding and assist with managing urban renewal projects. Since 1997, Britain has operated a series of programs which have a specific mandate to address local problems concurrently with redeveloping housing. Both local and regional problems are addressed. They are managed through a cabinet level Social Exclusion Unit.

### 6.3 Housing and Economic Development

Bradford (2002) is concerned that "Canadian cities may be living off investments made decades ago and that there capacity for renewal is blocked by out-dated

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[37] Maclennan 2001 page 21
[38] FCM 2001-A 2001 page 19
[39] Urban II and Interreg III – find details on Internet. from FCM page 22

governance structures and limited policy imagination. While other countries experiment with new approaches, the danger is that Canada is resting on its laurels."[40] Bradford argues that diminished attention to neighbourhood and community building activities especially pertaining to infrastructure and housing is beginning to show in concentrations of poverty in inner city and older suburban neighbourhoods and in growing homelessness.

In a report for the TD Bank Financial Group, Burleton (2002) concluded that Canada's cities were in dire need of financial support to repair, replace and build new infrastructure. He includes social housing as infrastructure and reports that the lack of new social housing development has resulted in shortages of affordable housing which has led to increased homelessness. Infrastructure investment is seen as essential to building competitive cities. "Without robust and vibrant cities, there is simply no hope for achieving the objective of beating the US standard of living within 15 years."[41]

Housing activity has a major effect on the Canadian economy. New housing starts have a high multiplier effect in generating employment. Employment is created in the construction trades, in real estate and legal work and in the manufacturing industry. Once new residents are in place, there are economic gains to the local neighbourhood economy, in areas like local services. Housing also plays a role in sustaining economic growth by providing places for a growing population and workforce to live and attracting the kind of talent that will foster economic growth.

From time to time, special agreements have been put in place with a more comprehensive plan to revitalize city neighbourhoods. One such initiative was the Vancouver Agreement. Signed in 2000, it is the collaborative effort of the federal, provincial and municipal governments along with the community groups and contains a housing dimension. A major goal of the Agreement is to "...create a healthy, safe and sustainable community in the Downtown Eastside of Vancouver."[42] Partnerships and consultations are employed extensively throughout the implementation of the Agreement to ensure that community capacity is utilized and built upon and to identify priority areas for immediate action.

Maclennan (2001) places housing policy and programs squarely in the economic sphere. According to Maclennan, housing integrates economic and social progress in fundamental ways. Housing, Maclennan argues is "...one of the three great integrating systems in any economy and society."[43] Maclennan sees housing

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[40] Bradford 2002 page ___
[41] Burleton 2002 page 27
[42] The Vancouver Agreement 2000 page 5
[43] Maclennan 2002 page 4

systems, labour markets and mortgage and credit markets as the integrative market systems of the current age. It is Maclennan's view that housing markets have been shaped by globalization and can moderate the effects of globalization. These include boom and bust cycles, cyclical instability of housing markets and spatially concentrated inequalities. These factors influence competitiveness of regions. Economic change is inextricably linked to social change which in turn is linked to place. Social patterns influence the degree of cohesiveness which influences governance and innovation potential.

## 7.0 A New Way to Produce Affordable Housing

### 7.1 New Acquisition Practices

Since the cessation of funding for new social housing units in the mid-nineties, little social housing has been produced in Canada outside of British Columbia and Québec. This occurred concurrently with a sharp drop in the production of private sector rental housing. Given the lack of government support for new social housing, groups interested in developing affordable housing had to experiment with new approaches. Sewell discusses this transition and states that the first potential source of new revenue was to look to higher income residents who could afford to invest more in their housing. He describes several models including "investment with a return of principal; investment with a return of principal and interest; investment with the right to sell." These options only tended to work for households that could come up with some form of contribution and pay housing costs that were just slightly lower than market rate. [44] The traditional low-income clientele for social housing was not served through these public-private affordable housing partnerships.

Others sought to target a lower income group. What these groups have produced very often demonstrated a collaborative effort, bringing together resources from a number of non-traditional areas. However, the number of units produced has been modest and the effort required to locate and secure funding has been mammoth in comparison. Nevertheless, the new developments preview new methods of planning and delivery, many of which incorporate the priorities, expertise, community resources and ideas of local residents.

New methods of affordable housing development are different from traditional social housing programs in a number of ways. Most do not depend on long-term (i.e. 15-50 year) government commitments to providing subsidies to reduce operating

[44] Sewell 1994 page 175

costs. Up-front capital grants and contributions have replaced this funding but generally only cover the amount that will reduce the economic cost of the housing down to market rent level. The problem remains that most households on social housing waiting lists cannot afford average market rents. For some projects, government-sponsored rent supplement programs have provided additional assistance, which allows for the inclusion of low income tenants in these developments. The rent supplement program provides monthly subsidies to reduce a household's rent from market to a level that they can afford at 30% of gross income. Unfortunately, the rent supplement agreements are short term. Because they do not cover the length of the mortgage, the longer term financial viability is weakened.

Groups have had difficulties in obtaining private financing. Success has been somewhat limited to groups that have taken creative approaches to fund raising and have a sophisticated understanding of housing finance methods.

In past programs, mortgages for 100% of the project's capital costs were guaranteed by CMHC. Now groups can only obtain a mortgage for a percentage of the market value of the development, and must raise the rest of the capital needed on their own. They also need to convince lenders that their development is viable over the longer term with minimal financial risks.

Philanthropic support has played a much larger role in the development of new housing projects in the post-1994 era. CMHC reports that charitable support for affordable housing has generally been used by specific communities of interest, such as religious congregations, and for groups with special needs, such as seniors or people living with HIV/AIDS[45].

The following two projects highlight some of recent partnership approaches to affordable housing which also demonstrate the kind of horizontal linkages that have been achieved. They are also representative of the diversity which has been occurring since the move away from one size fits all national programming.

1. ***Regroupement des Organismes du Montréal-Ethnique pur Le Logement (R.O.M.E.L.) Montréal PQ*: R.O.M.E.L.**

R.O.M.E.L., a community group with a mandate to serve newcomers, set out to combine housing, economic development and home day care for the Côte-des-Neiges neighbourhood of Montréal. The project was to be accomplished with a number of partners and components: a community organization to assist with the

[45] Research Highlights Issue 67 page 2

creation of a small restaurant, a group of parents to work on the development of home daycares, as well as a training component for future residents of the cooperative who would eventually manage the completed housing project.

R.O.M.E.L. wanted to build on existing resources and expertise that was already present in the neighbourhood. They found two groups with similar objectives: the Association des Résidents des rues Barclay, Goyer et Bedford (BGB) a local daycare provider and Multicaf, a local enterprise which already had a low-cost cafeteria in operation in the community. Finding appropriate buildings to renovate was a challenge given that zoning bylaws do not generally encourage the mixing of residential, commercial and community uses.

R.O.M.E.L. wanted to address particular issues that affect newcomers, specifically, discrimination in the housing market and the fact that these newcomers had no credit history and therefore found it difficult to set up accounts with hydro, the phone company, new landlords etc. Since they wanted to make the transition to Canada more positive, R.O.M.E.L. decided that the first step was to work at providing housing which would give the newcomers a start in establishing a network, working on language, accessing services, establishing a credit record etc.

The housing portion of their project is funded by the Province of Québec through the Accès-Logis program. The Province provided a grant representing 45% of the capital costs, while the city of Montréal contributed a further 30%. The City has also contributed to the success of the project through the purchase of a building in the neighbourhood which will be used for community services and a library. The balance of the capital cost is financed through a conventional mortgage. With these grants in place, the co-operative is able to charge rents that are affordable to low-income immigrant families.

R.O.M.E.L. choose to purchase two existing rental buildings which were in poor repair and well known to the city for their deficiencies. An architect worked to change the floor plan to create larger units for the larger immigrant families. Vacant units are typically one and two bedrooms in size, while immigrant families often require three and four bedroom units. Each residential building includes a community room which is used for meetings and community or family events. Tenants have a range of incomes. Some already had established links to the community.

Provision was made to allow for small home-based businesses. One tenant, for example, is a small appliance repair specialist and has been able to run a small business out of his apartment. By housing a variety of tenants and by making community space available to the community at large including the local

neighbourhood association, R.O.M.E.L. feels, neighbours are able to benefit from each other, some by providing childcare, others through their involvement in community meetings which gives them a chance to get to know one another. Contact between tenants and neighbours is also encouraged by the presence of small businesses in the residential buildings.

The project hopes to create around nineteen jobs in the cafeteria/catering business, which will offer low cost meals to neighbourhood residents. It is defined by the group as a social economy project in that it creates community economic development while providing much-needed social services in the neighbourhood. This portion of the project is not yet completed. Adequate space needs to be found in the neighbourhood for the enlarged enterprise.

Governments at all levels worked with community groups to create a project which meets multiple objectives beyond the provision of shelter. Large, mainly immigrant families are able to access three and four bedroom flats at affordable rents. Child socialization and support for parents is provided through the home daycare network, skills training and job opportunities are to be provided through the provision of new jobs targeted to neighbourhood residents. Here is how the group explains their objectives:

> "To summarize, the Housing-Integration project was intended to provide support to families with respect to affordable housing, support for early childhood, and support for social and professional integration for disadvantaged populations, with the goal of full integration. We recommend the implementation of such multi-purpose projects that correspond to community priorities. In other words, the creation of social housing should be accompanied by the creation of businesses and services that are appropriate to the community."[46]

### 2. *Mike Gidora Place, Victoria Coolaid Society, Victoria*

The Victoria Coolaid Society is a well established non-profit service provider in Victoria. They set out to find a way to provide good quality housing for low income singles and couples in downtown Victoria, with particular emphasis on people receiving social assistance or disability pensions, students and the working poor. They also wanted to construct a building that would enhance Victoria's downtown. They sought to encourage community economic development by including a space for community activities. A further goal was to work within a public/private partnership framework. Finally, they had to accomplish these goals without

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[46] R.O.M.E.L. 2001 page 24

traditional housing programs. Mike Gidora Place opened in downtown Victoria in September 2000.

The main innovation of the development was the design of compact, modest but livable units. The building has two unit sizes and the smaller units in the building are 187 square feet. Since the group did not want to impose their values on unit design on their residents, they consulted widely with tenants of rooming houses and others who lived in small housing units. A model suite was built. Potential tenants, city officials, neighbours and others were invited to visit and provide comments. In this way, an affordable housing project was developed in a collaborative manner with broad community acceptance. Each completed unit has a full size fridge and stove as well as a three or four piece bath and loft space for storage. This means that each unit is fully independent unlike the previous dwelling units of tenants that generally had shared washrooms and kitchens.

The other innovative component of significance was the financing of the development. Coolaid found financial supporters to provide loans in a non-traditional way without traditional guarantees. Support for Mike Gidora Place came initially from the Homegrown Solutions Initiative which allowed the group to explore their ideas further. Pacific Coast Saving Credit Union provided the first mortgage. The Real Estate Foundation of BC provided a grant and a flexible second mortgage. The City of Victoria provided a grant and many concessions throughout the planning and development process. The Vancouver Foundation provided a grant. VanCity Community Foundation provided a third mortgage along with a grant. Victoria Coolaid Society itself provided a significant equity contribution. The British Columbia Housing Management Commission provided a rent supplement agreement which will provide assistance to reduce rents for fifteen years.

Coolaid wanted to "...establish a business model with a social mission."[47] The mission was to stabilize Victoria's vulnerable downtown community by providing housing for a mix of tenants, many whom were in desperate need of stability in their lives. The tenants have low incomes and are willing to accept modest accommodation. Coolaid invested a significant amount of its own resources into this project. They plan to undertake an assessment of the project's social, as well as economic return on investment to determine the value of their contribution.

### 7.2 Building on Linkages with Social and Economic Policy

There is a growing recognition of the linkages that exist between economic growth and social well-being. National and local institutions will have to adapt to the new

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[47] Victoria Coolaid Society 2001 page 2

environment in a number of ways. Gertler (2001B) argues that a city's competitive advantage lies in its social and cultural strength along with its economic attractiveness. Clutterbuck and Novick (2002) call for increased cooperation between national and local institutions in order to balance economic and social development. They state that, "Within a decade or so cities will have either "strong" or "weak" infrastructure, reflecting the combined quality of both their physical and social infrastructures and how well these are integrated and mutually reinforcing."[48] Practices that continue to separate social and physical requirements of the cities are termed "weak" infrastructure, while those that combine both planning streams are "strong" infrastructure. "Weak" infrastructure planning will result in increased urban sprawl, highly stratified residential populations, and increased policing costs. Affordable housing delivery must be reconceived within this framework. It should include social facilities and a welcoming multi-cultural environment.

According to Clutterbuck and Novick (2002), a social inclusion approach needs to have "...forms of active citizen engagement in local planning and decision-making processes."[49] Participants in the FCM/Laidlaw community consultations undertaken as part of the Clutterbuck and Novick research, felt that it was the federal government's role to be a leader in "...establishing equity provisions and national standards in a variety of important policy areas such as health and affordable housing" and saw "...funding support for affordable housing as important to urban communities."[50] They saw the provinces as being responsible for regional equity matters and increasing resources to "...education, children and youth services and housing."[51] However, it is important to note that while they called for an increase in involvement by provincial and federal governments, they also saw as essential mechanisms for citizen involvement at the local level. They recognized the need to find a "...workable balance between national principles/standards and local initiatives in the performance of governance responsibilities for strong social infrastructure."[52]

Clutterbuck and Novick (2002) further argue that a social inclusion framework requires adaptive responses to local conditions within the context of multi-level government and community involvement. Co-ordinated strategies should be developed starting with understanding the needs of cities and city regions. Existing structures may need to be adapted and cooperative planning is essential.

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[48] Clutterbuck and Novick 2002 page 4
[49] Clutterbuck and Novick 2002 page 7
[50] Clutterbuck and Novick 2002 page 19
[51] Clutterbuck and Novick 2002 page 19
[52] Clutterbuck and Novick 2002 page 20

Lankin (2002) also supports an increased leadership role for municipalities. They should be treated as full partners with other levels of government. She points to FCM's Green Funds and HRDC's SCPI as successful models which allow for recognition of different needs and capacities of municipalities in program delivery. Bradford (2002) describes this change as a move towards horizontal integration with vertical collaboration.[53]

Dreier (2001), in referring the US system, recommends that all federally funded programs be administered on a metropolitan basis. He includes training, job placement, welfare, transportation, infrastructure and housing. "The fragmented administration of these programs currently constitutes a major obstacle to mobility out of inner-city poverty neighborhoods."[54] He sees the need for agencies responsible in these areas to have the capacity to coordinate their efforts on a regional basis. He suggests that federal policy should help metropolitan regions to create the necessary governance structures to make this possible. "Overall urban vitality depends on healthy neighborhoods that attract people who have choices about where to live,"[55] states Dreier.

Dreier argues that neither inner city programs nor non-profit neighbourhood based initiatives have prevented the growing concentrations of poverty or improved life chances of residents in US inner cities. Jobs are almost non-existent as are decent schools. Healthy neighbourhoods, he argues, should have jobs, parks, commercial enterprises and affordable housing. He states that the federal government can help by implementing a "more holistic neighborhood- and family-based approaches that will build a sense of common purpose."[56] However, he notes that such neighbourhood-based initiatives are far more likely to be successful if a regional focus is taken. Residents of these neighbourhoods need assistance to find jobs that will work improve their economic prospects and ability to make housing and neighbourhood choices, even if the jobs are located outside of their current neighbourhood. Dreier is not optimistic about community development programs such as enterprise zones which he says can serve to reinforce the forces that have created spatial concentrations of poverty.

New institutions and informal networks at the national and local levels are recommended in the literature (Clutterbuck and Novick, Bradford) as a means for building a different architecture for the delivery of programs to meet social/economic objectives. Maclennan (2001) argues that this is a means to meet

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[53] Bradford Presentation 2002
[54] Dreier 2001 page 211
[55] Dreier 2001 page 215
[56] Dreier 2001 page 215

various objectives in a multi-dimensional, more cost effective and appropriate manner given the new economic order.

## 8.0 The Housing Needs of Vulnerable Urban Canadians

### 8.1 Immigrants

According to 1996 Census, immigrant households account for 21% of all non-farm, non-native households in Canada, roughly 2.1 million households. At that time, 0.4 million households, representing 21% of all immigrant households, were in core housing need. This need was highly concentrated within new immigrant groups, as 39% of immigrants who arrived in Canada between 1991 and 1996 were in core housing need. Recent immigrants were also likely to spend more than non-immigrants on shelter costs; $762 per month on average for recent immigrants versus $669 for non-immigrants. Immigrants in core housing need are far more likely to be located in metropolitan CMAs; 84% of immigrants versus 58% of other households in core need. 74% of recent immigrants settled in Toronto, Montréal or Vancouver, a marked change from earlier immigration patterns. Prior to 1976, only 51% of recent immigrants settled in these three cities. Ottawa-Gatineau, Edmonton, Calgary, Québec City, Winnipeg and Hamilton, on the other hand, received a slightly lower percentage of recent immigrants during this period, going from 16% prior to 1976 to 13% in the 1996 census. The City of Toronto reports that the number of people citing refugee claimant as a reason for admission to their shelter system increased from 21% in 1998 to 27% in 2000.[57]

According to Freiler, "The demographic changes brought about by immigration and the financial stresses caused by 'downloading' of responsibilities highlight the need to pay attention to issues of inclusion and diversity."[58] More and more, Canada's economic health depends on the abilities of immigrants. Canada will have to improve its capacity to attend to the needs of new immigrants, particularly their housing needs. Lankin sees this accomplished through the cooperation between the public, private and voluntary sectors. While all levels of government must take responsibility for ensuring that immigrant skills and expertise are fully utilized in the workplace, municipalities are best placed to provide a welcoming environment in partnership with city governments and the community sector. However, she argues, this cannot be done without additional resources.

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[57] City of Toronto 2001 page 4
[58] Freiler 2001 page 5

Canada has among the most ethnically diverse cities. Immigrants make up 42% of the population of the Toronto CMA, 35% for Vancouver, 18% for Montreal and 16% for Ottawa-Gatineau.[59] Papillon (2002) urges policy makers to consider immigrants as an important force in the sustainability of cities. While Canada faces challenges to maintain a socially sustainable environment with an increasingly diverse ethnic population, such diversity also offers great strengths to Canadian cities. Papillon states "diversity is expressed and lived at the local level- in neighbourhoods, schools, parks and playgrounds."[60] Areas with a high level of immigrants are "conducive to creatively and innovation."[61] Bradford states, "Knowledge-based innovation, critical for success in the global economy, thrives in those local places that cluster economic producers, value diverse ideas and culture, and involve all residents in learning opportunities."[62]

It is at the local level where issues with immigrants surface and must be addressed. This is where they must find a job and a home. Supports are needed to bring new immigrants into the economic sphere of cities. Long waiting lists for social housing, **high rents and low vacancies in the private rental sector** and increased prices to purchase a home make it increasingly difficult for immigrant households to get a toehold in a new city. The health and sustainability of cities is contingent on national level policies and institutions like multiculturalism and health care but also on locally defined policies and programs which can assist in areas like housing and job readiness.

Lankin raises strong concerns regarding the welfare of immigrants and minority groups. She points to a study on poverty by race in Toronto by Michael Ornstein of York University who found that non-European families are far more likely to be poor. The current immigration policy does not address increasing concentrations of urban immigrant poverty. Even though immigrants to Canada are more skilled than previous generations of immigrants, their chances of achieving economic success are diminished. Lankin points to the increased concentrations of visible minority communities in large urban centres. She notes a change in the countries of origin of immigrants and a lack of settlement plans and states that a large number of poor immigrants make their first homes in the inner suburbs of cites which according to Lee (2000) and Bradford (2002) are experiencing increased concentrations of poverty.

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[59] Papillon 2002 page 3
[60] Papillon 2002 page 5
[61] Papillon 2002 page 4
[62] Bradford 2002 page 1

Lankin argues, "The issues of urban poverty and affordable housing are inseparable."[63] She acknowledges the role of diminishing real incomes for the poorest Canadians and links the increased disparity between homeowners and renters to the cancellation of housing programs that support rental housing construction. This in turn has diminished the housing opportunities for immigrants. Between 1984 and 1999, she reports that the medium income of homeowners increased by 24% while the median income of renters decreased by 48%. The ultimate consequence of increased rents and diminished incomes is growing homelessness.

Immigration is an important source of new talent and human capital. It enriches our cities by providing what Gertler has refereed to as "...cultural capital".[64] It also influences many other factors that make our cities healthy and attractive places to live, i.e., food production, building form, special events.

### 8.2 Urban Aboriginals

The 1996 Census reports that there are approximately 800,000 Aboriginal people in Canada. This includes those identified as Indian, Metis or Inuit or those who, while not self-identified, were either Registered Indians and/or First Nation band members. In 1996, 46,000 Aboriginal peoples lived in Winnipeg, 33,000 in Edmonton, 31,000 in Vancouver, 16,000 in Saskatchewan , 16,000 in Toronto, 15,000 in Calgary and 14,000 in Regina. The average age of self-identified Aboriginal people was 25.5 years or about 10 years younger than the Canadian average. Many are children. In 1996, 35% of Aboriginal people were under 15 compared to 20% of the non-Aboriginal population. A further 18% of Aboriginals fell into the15-24 age group, compared to 13% of the non-Aboriginal population. A total of 32% of Aboriginal children lived in lone parent families in 1996, compared to 16% for the non-Aboriginal population. In the western cities of Winnipeg, Regina and Saskatoon, almost half of Aboriginal children lived in lone parent families. (Statscan 2001)

There has been a huge influx of First Nations and Aboriginal peoples into urban regions over the past few decades. (Novick 2002). A total of 60% of native households lived in urban areas in 1996.[65] At this time, 52,800 off-reserve, non–farm native households in urban areas were living in core housing need. The average income of these households was $15,140, about $1,200 lower than the average income of non-native households in core need.[66]

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[63] Lankin 2002 page 7
[64] Gertler 2002-B page 4
[65] Research Highlights CMHC, Issue 55-10 September 2002
[66] Research Highlights CMHC, Issue 55-10 September 2002

CMHC points out that urban Aboriginal households were 1.8 times as likely to move as their non-Aboriginal neighbours. Their moves are reported to be related to affordable housing, marriage or family breakdown, or looking for better community services or employment. A small survey conducted in Regina and Winnipeg found that access to services can be interrupted and that children can find the transition difficult. However, Aboriginal respondents reported that their children were not adversely affected by moves. This could be partly attributed to the fact that many are maintaining connections on their reserve while finding a new home in the city, so they are used to maintaining relationships in different places. Despite this, they reported that frequent moves presented particular challenges around sorting out new transportation routes to services and employment opportunities. These difficulties were multiplied for those with poor literacy skills.

CMHC's Urban Aboriginal Housing Program was initiated in 1978 and terminated in 1993, along with other new social housing commitments. New commitments to other off-reserve social housing programs ended at the same time. 92 urban Aboriginal housing corporations were formed over that time period and 10,301 units were built or acquired. The program "...supported the acquisition of housing units by non-profit housing organizations for rental on a rent-to-income basis (25% of gross income.) CMHC subsidizes the difference between the housing organization's revenues from rents and its operating costs."[67] But the urban Aboriginal housing corporations do much more than provide shelter. According to the Royal Commission on Aboriginal Peoples,

> "...the stable environment provided by these corporations has enabled tenants to take advantage of employment opportunities, to further their education and, in some instances, to buy their own homes. Through counseling services, the corporations have also helped tenants gain access to government and other resources to increase their chances for self-reliance."[68]

Urban Aboriginals who are not tenants of Urban Aboriginal housing corporations must make their way in the market. As with non-Aboriginals, they face high rents and a short supply of affordable housing. In addition to these challenges, they face discrimination. As a result, they often locate in neighbourhoods where they find acceptance. These neighbourhoods are often experiencing decline and plagued by "...aggressive policing, barred windows, and routine drug- and alcohol-related

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[67] Gathering Strength 1996 page 403
[68] Gathering Strength 1996 page 408

violence."[69] Housing needs in addition to a number of other initiatives will be needed to improve the outcomes for urban Aboriginals.

The Commission "...found broad agreement among leaders, experts, and community representatives that CMHC programs directed to Aboriginal people who do not live on-reserve need to be restored, with appropriate modifications for greater effectiveness and to stimulate individual self-reliance."[70] The commission sees the withdrawal of federal funding as leaving a void, which has not and cannot be expected to be filled by the provinces. Some institutional capacity has been nurtured through the urban aboriginal housing program and this provides an important base for further projects and for nurturing Aboriginal engagement in the community and for Aboriginal economic autonomy. The knowledge and capital asset base built up over the years allows these Aboriginal institutions to partner with other agencies and often leverage additional resources for expansion.

Devine (2002) supports this notion in his work. However, he points out that only experienced urban Aboriginal groups were able to access funding through the Supporting Communities Partnership Initiative ( SCPI). Well-established Aboriginal groups with proven track records of success sponsored all three successful projects that he reviewed. Devine reports that these three organizations have Aboriginal boards of directors and proven administrative and management capabilities. They understand how to put together program proposals and were able to secure interim financing or cash flow the project from their own reserves when needed. Their existing connections to local community supports and all three levels of government grew out of their long investment in their respective communities and was invaluable to the success of these recent projects.

They were able to form "...both traditional and non-traditional partnerships. Traditional relationships are defined as those with the larger urban Aboriginal community and federal departments and agencies, including CMHC, Correctional Services Canada (CSC), the Aboriginal Healing Foundation (AHF) and HRDC."[71] Non-traditional resources include banks, business groups and non-Aboriginal charitable organizations. Devine points out that such linkages are essential in the new environment of affordable housing development. Mature, experienced Aboriginal institutions are needed to move new housing projects along. Not only are they able to access resources that lesser experienced groups cannot, but they also espouse traditional Aboriginal spiritual values, which contribute to strengthening Aboriginal communities and reinforcing traditional culture.

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[69] Gathering Strength 1996 page 408
[70] Gathering Strength 1996 page 411
[71] Devine 2002 page 12

Unfortunately, there are not many experienced groups; so many communities are unable to even consider new funding opportunities to build affordable housing for Aboriginals.

Graham and Peters (2002) have a similar view. They recommend assistance with job readiness and housing and state that:

> "It should now be clear that the federal government has a central role in fostering constructive conditions and a constructive relationship by virtue of its fundamental relationship with Canada's Aboriginal Peoples. The "high politics and policy" of this relationship, related to Aboriginal rights and culture, is as central to dealing with Aboriginal issues related to cities as is the federal government's policy and fiscal capacity in dealing with issues of urban poverty. The Government of Canada can also play a constructive role through its support of Aboriginal organizations working in cities as they attempt to learn from each other and build their capacity."[72]

The situation of Aboriginal children is a concern. According to Cooper (2001), 38% of all Aboriginal children were living in core housing need in 1996. This is more than twice the percentage of non-Aboriginal children. For urban Aboriginal tenant households the number jumps to 54%. Cooper also found that their dwelling condition was far worse than average leading to health and crowding concerns.[73]

In their report *Uncommon Sense: promising Practices in Urban Aboriginal Policy-making and Programming*, the Canada West Foundation sets out a policy agenda for urban Aboriginal populations and identifies some successful strategies . They emphasize the need to build social capital amoung the Aboriginal population by linking them to networks and supporting the building of relationships. For Aboriginal peoples, this means being consulted on activities that affect their lives, building trust with non-Aboriginal policy makers and building connections through their communities. Aboriginal delivery of programs is also seen as a key mechanism for success.

The report urges governments to listen to the community. Policy makers and politicians must treat Aboriginal leaders as peers and seek their advice when designing new initiatives. Horizontal connections between government departments will allow more holistic approaches to problem solving. It calls on all levels of government to meet more frequently and cooperate in order to nurture a supportive culture of participation and the orderly delivery of programs. At the same time, and similar to non-aboriginal communities, respondents in Canada West Foundation's

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[72] Graham and Peters 2002 page 28
[73] Cooper 2001 pages 20-21

survey urged flexibility at the local level and the ability for public servants to think "...outside the box."[74]

Bradford (2002) reports an urgent need to address social exclusion concerns amoung Aboriginal peoples. He reports that Aboriginal peoples are approximately ten times as likely to rely on emergency shelters as the general population. He believes that affordable housing should be delivered in culturally sensitive ways which involve Aboriginal peoples in delivery.

### 8.3 Secure Housing for Children

Jenson (2001) defines housing as a "children's issue", given that over half a million Canadian children live in unaffordable or inadequate housing and thousands of children are homeless. The National Children's Agenda, NCA, which has been endorsed by federal, provincial and territorial governments put in place four key goals:

1. Healthy-Physically and Emotionally: Children who are physically and emotionally healthy as they can be, with strong self-esteem, life skills and enthusiasm. Children who are physically and mentally active, live healthy lifestyles, are free of preventable disease and injury, and enjoy healthy environments.
2. Safe and Secure: Children whose basic needs are met, including love, shelter food, clothing, recreation and play. Children who are protected from abuse, neglect, exploitation and dangerous environments, and who are given support by caring adults.
3. Successful at Learning: Children who achieve physical, emotional and social development, language skills, literary, numeracy and general knowledge to the best of their capabilities. Children who are ready for learning throughout their lives so they can gain the abilities they need for present and future fulfillment.
4. Socially Engaged and Responsible: Children who can form stable attachments to nurturing adults when they are young and develop supportive relationships within ad outside their families. Children who value Canada's cultural heritage and diversity, and who develop an understanding of the rights and responsibilities of belonging to a wider society. Children who respect themselves and others through being respected, and understand the personal and social consequences of their choices. [75]

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[74] Canada West Foundation 2001 page 3

[75] A Shared Vision for Canada's Children HRDC Web site 2000

Jenson (2001) relying on research undertaken for the CPRN by Merril Cooper (see below) finds that the lack of affordable housing undermines all of the four goals. Poor quality housing puts children's health is at increased risk with the increased likelihood of moulds, lead, asbestos, dust mites and cockroaches. Crowding is also a hazard which can result in poorer performance at school and increased family tensions. Unaffordable housing results in children going hungry which makes social and recreational activities more difficult and results in more frequent illness. Lead from chipping paint of poorly maintained housing is more easily absorbed by children with poor nutrition. Parents who are struggling to pay high housing costs are more likely to work longer hours and suffer from increased stress all of which will affect their parenting. To sum up her concerns she states, "Investment in the NCA represents an important step forward for Canada's children. But if that investment is to be truly effective, housing affordability and quality must be part of the equation."[76]

Cooper (2001) classifies as urgent the "...need to explore the relationship between housing affordability and children's well-being. Economic, social, demographic and policy shifts over the past decade have both contributed to current housing problems and complicated the possible solutions."[77] If we are to attain these goals, Cooper (2001) stresses that Canada will require a housing strategy. Even with improvements to child care and educational opportunities, children's situation will continue to deteriorate because of "...problems linked to the absence of adequate and reasonablely priced housing."[78]

*The National Longitudinal Survey on Children and Youth* also supports the idea that the four goals of the NCA are clearly linked to housing. Secure housing is essential to children's growth and development and situates children in a physical and social environment which will significantly affect outcomes. "Negative associations between residential mobility over and above socio-demographic characteristics have been found for grade repetition, school achievement, emotional problems, and high school completion."[79] Cooper argues that to address these concerns, housing must be placed within the larger policy framework of children's well-being. Yet housing has not been a key issue of the NCA nor have children's housing needs been prominent in Canadian housing policy. To improve the outcomes for children and to have success with the NCA, linkages will need to be made between those working on children's policy and those engaged in housing policy.

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[76] Jenson 2001 page 2
[77] Cooper 2001 page 26
[78] Cooper 2001 page 33
[79] Kohen et al 1998 page 12

Perhaps one of the most damaging effects of lack of affordable housing is the lack of security that results. Children are very much affected by frequent moves. They are robbed of a neighbourhood and community. Shillington (2002) and Cooper (2001) both cite the importance of neighbourhoods and community as being important to social engagement, health and safety of children. These factors have also been noted in the NLSCY data which states, "Negative associations between residential mobility over and above sociodemographic characteristics have been found for grade repetition, school achievement, emotional problems, and high school completion."[80] It was further found that three or more household moves was linked to cognitive and behavioural problems amoung both preschool and school-aged children.

A lack of affordable housing has resulted in more apprehensions into care. A survey of the Children's Aid Society of Metropolitan Toronto cited by Cooper (2001) found that the family's housing situation was cited in 18% of temporary placements of children into care. Furthermore, of the children apprehended, the family's housing situation was a major factor delaying the child's return home. The study found that secure, affordable housing would significantly reduce the placement of children into care and serve to stabilize the family in a way which would promote the child's well-being.

Healthy outcomes for children will be severely threatened for those children who are without a secure home. Yet, the numbers of homeless children is growing. The largest growth in the homeless population in Canada has been found to be families with children. For example, in Toronto, "...the number of families admitted to hostels increased by 76 % between 1988 and 1996, and in 1996, over 5,000 children were homeless in that city alone."[81] The Toronto Report Card On Homelessness (2002), reports that the number children in the shelter system in Toronto increased from 2,700 in 1988 to 6,200 in 1999- an increase of 130%.[82]

A survey of shelter services commissioned by CMHC revealed that over half the children in families using homeless shelters were under five, with a further 30% between the ages of five and twelve. These children suffered a lack of self-esteem and well-being. Other problems were in the areas of behavior, school achievement and social skills. Survey respondents reported that the main problems for families leaving the shelter was the need for financial assistance and affordable housing. Over half of the families also needed some sort of support service to maintain a

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[80] NLSCY 1998 page 71
[81] Cooper 2001 page 9
[82] City of Toronto 2001 page 5

secure living situation for their children, but shelter providers reported that follow up with families was rare given financial constraints.[83]

## 9.0 The Role of Housing in Protecting the Environment

The Bruntland Commission defines sustainable development as a development which satisfies our needs today without jeopardizing the possibilities of future generations to satisfy theirs. As a consumer good, housing can have a significant impact on the ability of future generations to satisfy their needs. Choices that can be made today include protecting arable land by avoiding urban sprawl, redeveloping brownfield sites, using compact and smart growth principles, recycling and rehabilitating older buildings, using energy efficient designs to reduce the energy needs for inhabitants and using building materials that have been recycled or can be recycled.

Canada's Kyoto commitment, *The Climate Change Plan for Canada*, (2002) outlines specific goals to meet Canada's commitment to reduce emissions including a residential component. In the preamble, new markets are noted as offering potential for future energy savings including the residential building sector. Making new and existing housing more energy efficient can play a significant role in reducing greenhouse gases. Canada's plan states it will partly meet its targets by, "...expanding cost-shared home energy audits for homeowners; and. work towards the following goals: energy efficient retrofits of 20 percent of the housing stock."[84] Any new government incentives to encourage environmentally sensitive measures in housing development should be applicable to affordable housing starts. Voluntary measures and practices as well as energy efficient construction will allow new residents in affordable housing developments to participate in meeting Canada's commitment. (The goal for Canadians is 5 tonnes per person.) Changes are best implemented at the outset of a development and they will make the ongoing operation of the new housing more affordable to low income households. Energy efficiency measures in housing also have the benefit of reducing ongoing utility costs for low-income households.

While environmental emission concerns are increasingly important, the notion of sustainable development as a means to move towards environmental sustainability is a far broader concept. Torjman (2000) describes sustainable development in this way:

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[83] Research Highlights Issue 80 2001 pages 1-4
[84] Government of Canada 2002 page 3

> "Sustainable development is a holistic approach to improving the quality of life. It postulates that there are intrinsic links amoung economic, social and environmental well-being. Changes in any one domain will have an impact upon the other two dimensions. From a social perspective in particular human well-being cannot be sustained without a healthy environment and is equally unlikely in the absence of a vibrant economy."[85]

Aspects of sustainable development include poverty reduction, social investment, and safe caring communities. Without these dimensions, social and environmental health is threatened. It is through communities working together that poverty is reduced, housing is provided to all, and commitments are made to reduce emissions and build more sustainable infrastructure in a way which is appropriate to community resources and practices.

Torjman argues that the community can and should play an important role in deciding how to meet its greenhouse gas reduction targets. Community members can weigh out the options and determine which is most appropriate solution given their needs and resources. These local solutions are especially relevant to reducing greenhouse gases as they include, "...intensification of community function, mixed-use design of new sub-developments, supports for at-home work, improvements to public transportation, solid waste reduction to lower methane emissions from landfill sites, better insulation for commercial properties and private residences and community projects such as tree planting."[86] Torjman notes that the three social dimensions of poverty reduction, social investment and safe, caring communities within the umbrella sustainable development require "...multifaceted and more sophisticated solutions than employed in the past," and she suggests that "...multi-sectoral partnerships and collaborative working arrangements"[87] will be needed.

Intensification and the re-use of industrial sites also provide opportunities to practice sustainability. Delcan and Golder Associates (1996) report that there are as many as 20,000 contaminated sites in Canada that could be used to develop affordable housing, many in urban areas and ranging in size from 0.1 ha to 100 ha. Redevelopment of some of these sites is viable and other require some support for soils remediation in order to create housing that would sell at a market price. Government support for remediation would be an investment in building healthier communities and result in increased tax revenues down the road. This large supply of land is mostly sitting dormant due to concerns around future liability. The

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[85] Torjman 2000 page 2
[86] Torjman 2000 page 6
[87] Torjman 2000 page 6

development of these sites is further discouraged because it is such a complex undertaking involving many approvals processes. A contamination assessment and remediation plan is needed. Contaminated soils can be removed to a landfill, they can be treated on or off site or finally some form of in-situ management plan must be implemented. The authors suggest that these more traditional approaches be augmented by a risk assessment/risk management (RA/RM) approach. With this approach, the risk is evaluated considering the particular contaminants and the kind of human exposure that might be anticipated. Appropriate measures are then undertaken. Such a practice, the authors argue, would bring more of this land into an inventory that can be used in the near future for affordable housing. Public health, they state, is the prime issue at hand, but all aspects of health must be considered including the need to built smart and sustainable communities which will provide affordable housing now and have a measurable impact on the health of a community.

The wisdom of using brownfield sites to support smart growth, intensification and infill development, including affordable housing, is supported by a new study released by the National Roundtable on The Environment and the Economy, Cleaning up the Past, Building the Future: A national Brownfield Redevelopment Strategy for Canada. The report calls on all governments to produce a strategy to redevelop brownfield sites. Redevelopment of these sites can result in improved quality of life for the surrounding neighbourhoods and provide lands for the development of affordable housing. They can also reduce urban sprawl. Brownfield sites in established urban areas and transportation corridors have significant development potential. While clean up costs can be high, these sites can produce significant property tax revenue and increase the competitiveness of the city. The report recommends that the public sector take the initiative to outline a plan of action to move these sites into development.

Civic and regulatory liability issues will need to be addressed as will expediting the regulatory approvals processes. When brownfield sites are redeveloped, it is often to provide housing. As an example, the Revi-Sols program in Québec funded the clean-up and redevelopment of 153 projects in the province, mostly in Montréal and Québec City. In Montréal alone, 3,400 new housing units were created through redevelopment. The housing built included a variety of tenure and building forms and a range of prices, thus supporting socially inclusive, mixed income communities.

## 10.0 Conclusions

### 10.1 Reversing Poverty by Planning for all Citizens

The increase in poverty concentration in Canada's cities is clearly documented. The availability of affordable housing is a major constraint to equalizing the life opportunities of individuals. A mix of housing targeted to a variety of household incomes is regarded as a critical factor in building integrated and inclusive communities. Cities must use their existing powers to develop official plans, which enable all citizens, regardless of income, to co-exist in their neighbourhoods. Low-income households, students, knowledge workers, and immigrants will all need to find adequate housing in proximity to each other and economic opportunities. Without a mix of housing options including homeownership, rental housing, rooming houses etc. in all neighbourhoods, cities risk increased spatial segregation and the variety of disadvantages that result. Inclusionary planning strategies will allow cities to build harmonious and less stratified neighbourhoods. How cities respond to these new housing demands and make room for all of their citizens will foreshadow Canada's overall economic performance. Significant new investments in affordable housing will be needed to take on these challenges.

### 10.2 Finding Ways to Work Across Sectors

Housing can be developed in a manner that addresses environmental concerns, child development concerns, Aboriginal housing concerns and so on. However, a different kind of policy formation and delivery structure is needed to support housing initiatives that address a variety of goals with the same investment. Increased cooperation across government departments and between governments and the community sector is required. The involvement of local communities will be essential if cities are to build healthy, vibrant, inclusive communities.

Urban revitalization should be done in a way that enhances and utilizes the informal networks of residents and community groups that exist so that cities can build a sense of inclusion and empowerment. More and more, those developing affordable housing work with a number of agencies, informal networks, tenants groups, private sector and governments. While this work is time consuming, the benefits can be lasting as communities are built and renewed with the active participation of those who live there and the agencies and supports they depend upon. However, affordable housing will not be built in sufficient numbers if groups are left to fund raise. Government contributions will have to increase significantly.

The new environment for developing affordable housing could be better supported if government departments moved away from their more traditional silos of policy development and delivery. Building consensus across governments will be the hurdle in making progress, recognizing the constitutional constraints that make

such initiatives difficult. However, given that models of cooperation like the Vancouver Agreement and the Winnipeg Accord have been accomplished in the past, there is ample demonstration that models can be found to move forward.

Good relations between the federal, provincial and local governments can build strong policy understanding and capacity at both ends. Solutions that are more complex and multi-dimensional need to be conceived to involve the community in a meaningful way and to achieve a range of federally, regionally and locally identified priorities. An approach which begins with the individual and seeks to understand the variety of challenges and issues that they face in their lives will point towards a better integration of services and supports.

Not only housing but also economic, environmental and social policies can be developed and delivered in a way which utilizes these horizontal connections. This would result in far greater program effectiveness across various issues such as child poverty, early childhood interventions, employability, transportation, and environmental sustainability.

The literature reviewed supports the notion of a strong national role in setting standards and outcome targets for social programs coupled with a strengthened local capacity to deliver programs, to leverage resources and to take a flexible approach in meeting the program objectives. Horizontal connections are also needed across social and economic policy areas. This is particularly important when the concern is community economic and social development. Social and economic policy goals are inextricably linked.

The affordable housing funding and delivery environment has changed significantly since the mid-nineties. Serious considerations must be given to the kinds of supports and resources that will be required to begin to address the serious shortage of affordable housing. There is the need to support and build on local capacity, to involve a larger and more diverse group of active players, to achieve results that go far beyond the provision of shelter. This paper suggests that a new arrangement between the essential partners is essential to meeting the goals of social inclusion, community vitality and civic competitiveness.

Responsibility for housing does not rest squarely with any one order of government in Canada. Social programs are within provincial jurisdictions, but housing goes beyond social policy touching significantly on the economic realm. The Federal Government's choices in intervening in affordable housing matters runs along a continuum from fully funded prescriptive federally led programs to minimalist or small interventions in emergency situations. Between these two poles, a number of other options exist. This paper argues that there is an economic imperative to act

in a way that supports the competitiveness of cities. It also argues that in order to be effective, local governments, community groups and Aboriginal groups need to be actively involved with provincial, territorial and federal government in identifying and implementing solutions.

### 10.3 Aboriginals, Children and Immigrants

In developing a new housing strategy for cities, certain groups will need special attention. Urban Aboriginal groups are far more likely to live in poverty in Canada's urban centres than the general population. Since Aboriginal incomes are much lower than the Canadian average, they will need housing strategies that will allow groups to develop housing that the Aboriginal population can afford.
There is strong evidence that secure housing will increase the life chances of poor children. Frequent moves can limit the possibility of developing social capital and for children can interrupt their ability to succeed at school. Housing has been identified as a major inhibitor to progress for children. For example, strategies that produce stable, secure housing will support better educational outcomes. Affordable housing that is targeted to the needs of families with children while addressing concerns of location, childcare, and neighbourhood safety is needed. Cities should employ strategies which promote settlement of families with children in city cores where services and a broad spectrum of cultural activities are available. Such strategies will provide welcoming opportunities for immigrant families which tend to have more children per household. When planning regulations encourage larger unit sizes in city cores, families with children occupy these units and the result is increased use of schools, parks etc and more livable cities.

Immigrant households are settling in major urban centres to a far greater extent than they have in the past. A disproportionate number of them cannot find housing that is affordable and appropriate to their needs. In addition, there is some evidence that immigrants are not being integrated into a variety of neighbourhoods, but rather are concentrated in several areas. Increasing the supply of affordable housing in all neighbourhoods along with immigrant settlement programs will be important to stem this trend.

### 10.4 Urban Areas Experiencing Decline Require Focused Attention

The federal government has from time to time focused on neighbourhoods in particular cities where there is a need for renewal, e.g. the Downtown Eastside area of Vancouver. Strategic investments in such areas result in improved economic competitiveness of the city and have a positive effect on the economic prosperity of the country. Other countries are much more aggressive in identifying

these areas and developing plans for their renewal. There are areas within Canadian cities that would benefit from such investment. Housing can be a very powerful tool for the improvement of these areas. Identifying specific areas for improvement provides a good opportunity to test ways in which all governments can work together with the local community to identify priorities and implement programs. Such plans should avoid the displacement of low income residents. The Vancouver and Winnipeg tri-partite agreements offer models for targeting such areas.

### 10.5 Making the Environment Central to New Initiatives

New housing development provides a strategic opportunity to reduce greenhouse gas emissions. An environmental lens should be applied to any new housing development or redevelopment to determine the extent to which new investment can support environmental goals. Local planning processes should be cognizant of the needs, cultural traditions and resources of the neighbourhoods and communities they serve and provide opportunities for consultation and input on meeting environmental targets. The federal government through a communications strategy specifically targeting planning officials at the municipal level should promote higher density and more inclusive growth patterns. Specific strategies need to be put in place to encourage the use of brownfield sites which can provide the land that is needed for affordable housing development.

### 10.6 Developing Tools to Measure Results

Outcomes based strategies with measurable results will be needed to evolve towards a housing policy that can serve a number of goals concurrently and effectively, i.e., child poverty reduction, improved health, avoiding spatial concentrations of poverty, social inclusion, sustainability. Further work is needed on the design and delivery of measurements that can apply to multi-faceted social policy. Access to affordable housing is shown in this research to have significant benefits that go beyond the provision of shelter. Housing policy should be conceived in a way that targets certain outcomes and seeks meaningful results. As this research demonstrates, housing outcomes go far beyond the mere provision of shelter and have a multitude of social and economic benefits.

### 10.7 Consulting with the Broader Social Policy Sector

Non-governmental organizations in Canada have played an important role in the development of social policy. Those organizations with a proven track record on the issues should be consulted in order to identify the best way to meet a number of social goals concurrently. Affordable housing is a basic human need but should not

be viewed strictly as an income support issue. In order to be successful in meeting the variety of challenges presented in this paper, housing programs should be concerned about integration and inclusiveness.

The expertise that exists in civil society especially in the national social policy groups should be called upon. These organizations can play a significant role in addressing the question of how to develop housing that meets a range of social and economic goals in partnership with communities and local governments.

**10.8 Building Capacity at the Community Level**

These objectives will not be met without a sustained effort to build on the capacity that exists at the community level. In many cases, communities can be involved in the delivery of programs. This is particularly true with housing. While Canada has a strong history of working with communities in the delivery of housing policy in the past, new community groups are emerging with different mandates. An intentional focus on serving individual and community needs when designing programs should be put in place by supporting partnerships with communities that seek their views from the outset of policy formation. In fact, by involving communities in the delivery of affordable housing, multiple objectives will be more easily achieved. In order for this level of community capacity to be effective, a stable, predictable public infrastructure will be required to provide resources to community groups.

**10.9 Building Inclusive Communities**

Canada's cities face a complexity of social and economic issues. Coordination of services and supports are needed along with the development and provision of affordable housing. The role of the community in making a place for all of its citizens is paramount. Housing should provide a platform for integration into communities and into the economic and social benefits that healthy communities offer. Once securely housed, evidence shows that health improves, that children fare better, that higher grades are achieved in school, that community supports and services are more regularly utilized. All of these benefits lead to overall life improvements. Affordable housing provides a means for supporting inclusive communities through strategic integration with community services, transportation, jobs and schools. It provides a solid base for participation in the broader social, economic and cultural mainstream, helping to build the kind of Canada we want.

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